United Nations A/72/838

General Assembly

Distr.: General
19 April 2018

Original: English

Seventy-second session
Agenda item 149
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2017

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2017 (A/72/649). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses on 13 April 2018.

2. The Advisory Committee recalls the proposals of the Secretary-General to settle outstanding liabilities in closed missions (see A/66/665, A/67/739, A/68/666, A/69/659, A/70/552 and A/71/652). The comments of the Committee on those proposals are contained in the following reports: A/66/713 and A/66/713/Corr.1 (see paras. 10–12); A/67/837 (see paras. 5 and 6); A/68/837 (see paras. 11 and 16); A/69/827 (see paras. 15–17); A/70/829 (see paras. 14–17); and A/71/856 (see paras. 2–3).

3. **The Advisory Committee notes that the General Assembly decided, most recently in its decision 71/546 C, to defer consideration of all six previous reports of the Secretary-General and the related reports of the Advisory Committee until the second part of its resumed seventy-second session. In this context, the Committee reiterates its previous observations and recommendations on the proposals contained in the above-mentioned reports of the Secretary-General.**

4. In his report, the Secretary-General provides background information on the updated financial position of 29 closed peacekeeping missions as at 30 June 2017 (A/72/649, paras. 1–4). The report reflects no change in the number of peacekeeping missions that have closed since the issuance of the previous report of the Secretary-General (A/71/652).

18-06304 (E) 200418

Please recycle

5. The Secretary-General indicates that five of the closed peacekeeping missions had net cash deficits totalling $86,041,000 because of outstanding assessed contributions, and the remaining 24 closed missions had net cash surpluses totalling $85,347,000 available for credit to Member States (A/72/649, paras. 5–17). Upon request, the Advisory Committee was informed that the cash available for credit to Member States from the 24 closed missions in surplus had increased to $103,351,000 as at 31 March 2018, reflecting a reimbursement of $27,000,000 in loans from active peacekeeping missions, $6,872,000 in contributions from Member States, $1,493,000 in investment and other revenue and $39,000 in death and disability claims and other payments, offset by $17,400,000 in loans to active missions (the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Interim Administration Mission in Kosovo (UNMIK)).

6. **The Advisory Committee notes the improved cash position of the closed peacekeeping missions with cash surpluses and reiterates the expectation that cash surpluses available for credit to Member States will be returned in full and in a timely manner (see A/69/827, para. 6; A/70/829, para. 7; and A/71/856, para. 6).**

II. Outstanding amounts due to Member States from closed missions

7. In his report, the Secretary-General provides information about the net cash available for credit to Member States as at 30 June 2017 and about accounts payable to Member States and other liabilities (see A/72/649, annex I). Upon request, the Advisory Committee was provided with an update on outstanding claims owed to troop-contributing countries as at 31 March 2018. According to the information provided, outstanding claims for payment to 27 troop-contributing countries in all closed missions amounted to $81,353,000.

8. **The Advisory Committee reiterates the importance of settling claims by troop- and police-contributing countries of closed peacekeeping missions in a timely manner.**

III. Cash requirements of the Organization

9. The Advisory Committee recalls that the General Assembly, in its resolutions on the financing of peacekeeping operations, has emphasized that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions (see, most recently, A/71/856, para. 9). At the same time, the Committee acknowledges that, because the Assembly has been silent on the mechanism for dealing with the disposition of cash balances available in the accounts of closed peacekeeping missions, the Secretary-General, since 2003, has annually proposed to the Assembly that such cash balances be retained as a source of cross-borrowing for other missions to address the issue of cash shortages in active missions owing to unpaid assessments (ibid.).

10. The Advisory Committee has repeatedly expressed concern about the continued reliance on cash surpluses in closed peacekeeping missions for the cash requirements of active peacekeeping missions and reiterated the importance of delinking the cash flow requirements of active peacekeeping missions from the cash surpluses in closed missions that should be returned to Member States (see A/67/837, para. 8, and A/70/829, para. 11). In this connection, the Committee notes the request by the

Secretary-General to retain a cash balance of $85,347,000 if no new mechanism is approved to address the cash requirements of active peacekeeping operations.

11. The Secretary-General notes that outstanding payments of assessments for 29 closed missions amounted to $399,912,000 gross as at 30 June 2017. Upon request, the Advisory Committee was informed that outstanding assessments totalled $392,634,000 as at 31 March 2018, of which $240,218,000 was outstanding for 24 closed missions in surplus and $152,416,000 for 5 closed missions in deficit. **The Advisory Committee notes the repeated calls by the General Assembly for all Member States to pay their assessed contributions on time, in full and without conditions (see, for example, resolutions 70/271, para. 3; 70/285, para. 1; and 71/856, para. 11).**

12. In his report, the Secretary-General provides an analysis of cross-borrowing by active missions from closed peacekeeping missions, particularly by MINURSO and UNMIK. The Secretary-General indicates that the peak in borrowing over the past three calendar years was $40,000,000 (see annex below). The Advisory Committee notes the overall improvement in the capital structure ratios of peacekeeping missions included in the report of the Board of Auditors (A/72/5 (Vol. II)), which presents the financial performance and cash flows of peacekeeping missions as at 30 June 2017 in accordance with the International Public Sector Accounting Standards.

13. **The Advisory Committee recalls the steadily declining trend in the peak levels of borrowing by active peacekeeping missions and that the highest level of borrowing in the past three calendar years was $40,000,000. The Committee notes that this reduction in the peak level of borrowing reflects an improvement in the timeliness of the receipt of assessed contributions. In this regard, and in accordance with previous recommendations, the Committee recommends that the net cash balance proposed for retention to cover the temporary borrowing needs of active missions be reduced accordingly to $40,000,000 and that any available cash surplus over that amount be returned to Member States (see para. 14 below).**

IV. Actions to be taken by the General Assembly

14. The actions to be taken by the General Assembly are set out in paragraph 22 of the report of the Secretary-General. **The Advisory Committee recommends that the General Assembly:**

(a) **Take note of the report of the Secretary-General, subject to its observations and recommendations in the present report;**

(b) **Request the Secretary-General to return to Member States the amount of $63,351,000 out of the balance of $103,351,000 available in 24 closed peacekeeping missions as at 31 March 2018, leaving a balance of $40,000,000 (see para. 12 above).**

15. **The Advisory Committee trusts that the updated balances in the 29 closed peacekeeping operations will be provided to the General Assembly at the time of its consideration of the report of the Secretary-General.**

Annex

Borrowings, settlements and peak levels of cross-borrowing by active missions from closed missions, 1 July 2012 to 31 March 2018

(Millions of United States dollars)

1 July 2012 to 30 June 2013					*1 July 2015 to 30 June 2016*				
Month, year	*Borrowings*	*Settlements*	*Balance*	*Peak level*	*Month, year*	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July 2012	11.0	–	62.0	62.0	July 2015	7.0	–	30.5	30.5
August 2012	–	(8.5)	53.5	62.0	August 2015	–	(3.0)	27.5	30.5
September 2012	–	(6.0)	47.5	47.5	September 2015	–	–	27.5	27.5
October 2012	–	(24.5)	23.0	47.5	October 2015	–	(7.0)	20.5	27.5
November 2012	–	–	23.0	23.0	November 2015	2.0	(3.0)	19.5	22.5
December 2012	14.0	–	37.0	37.0	December 2015	9.0	–	28.5	28.5
January 2013	9.0	(5.0)	41.0	41.0	January 2016	–	–	28.5	28.5
February 2013	–	–	41.0	41.0	February 2016	–	–	28.5	28.5
March 2013	–	–	41.0	41.0	March 2016	–	–	28.5	28.5
April 2013	–	–	41.0	41.0	April 2016	2.0	–	30.5	30.5
May 2013	–	–	41.0	41.0	May 2016	2.0	–	32.5	32.5
June 2013	–	–	41.0	41.0	June 2016	7.5	–	40.0	40.0
1 July 2013 to 30 June 2014					*1 July 2016 to 30 June 2017*				
Month, year	*Borrowings*	*Settlements*	*Balance*	*Peak level*	*Month, year*	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July 2013	11.0	–	52.0	52.0	July 2016	–	(6.0)	34.0	40.0
August 2013	5.0	(13.0)	44.0	57.0	August 2016	–	(8.0)	26.0	34.0
September 2013	–	(4.5)	39.5	44.0	September 2016	–	–	26.0	34.0
October 2013	–	(22.5)	17.0	32.0	October 2016	–	(16.5)	9.5	26.0
November 2013	–	–	17.0	17.0	November 2016	–	–	9.5	9.5
December 2013	–	–	17.0	17.0	December 2016	–	–	9.5	9.5
January 2014	–	–	17.0	17.0	January 2017	–	–	9.5	9.5
February 2014	6.0	–	23.0	23.0	February 2017	4.0	–	13.5	13.5
March 2014	5.0	(6.0)	22.0	28.0	March 2017	3.2	–	16.7	16.7
April 2014	–	–	22.0	22.0	April 2017	5.2	–	21.9	21.9
May 2014	4.0	–	26.0	26.0	May 2017	4.4	–	26.3	26.3
June 2014	5.0	–	31.0	31.0	June 2017	5.8	–	32.1	32.1

1 July 2014 to 30 June 2015					*1 July 2017 to 30 June 2018*				
Month, year	*Borrowings*	*Settlements*	*Balance*	*Peak level*	*Month, year*	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July 2014	6.0	–	37.0	37.0	July 2017	3	–	35.1	35.1
August 2014	6.0	–	43.0	43.0	August 2017	–	–	35.1	35.1
September 2014	–	(11.0)	32.0	43.0	September 2017	–	(24.5)	10.6	35.1
October 2014	–	(27.0)	5.0	32.0	October 2017	–	–	10.6	10.6
November 2014	–	–	5.0	5.0	November 2017	–	–	10.6	10.6
December 2014	–	–	5.0	5.0	December 2017	–	(2.5)	8.1	10.6
January 2015	–	–	5.0	5.0	January 2018	5	–	13.1	13.1
February 2015	6.5	–	11.5	11.5	February 2018	–	–	13.1	13.1
March 2015	–	–	11.5	11.5	March 2018	9.4	–	22.5	22.5
April 2015	3.0	–	14.5	14.5					
May 2015	9.0	–	23.5	23.5					
June 2015	–	–	23.5	23.5					